

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

# **HOUSE BILL 2150**

AN ACT

AMENDING SECTION 38-615, ARIZONA REVISED STATUTES; RELATING TO PAYMENTS TO RETIREES FOR ACCUMULATED SICK LEAVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 38-615, Arizona Revised Statutes, is amended to  
3 read:

4           38-615. Payment for accumulated sick leave; limit; definition

5       A. An officer or employee of ~~the~~ THIS state, subject to legislative  
6 appropriation, or an officer or employee of a county, subject to  
7 authorization by the board of supervisors, is eligible, on retirement, to  
8 receive benefits as follows:

9           1. An officer or employee who has at least five hundred but less than  
10 seven hundred fifty hours of sick leave shall receive payments equal to  
11 twenty-five per cent of the officer's or employee's salary at the officer's  
12 or employee's current hourly rate for each hour of accumulated sick leave.

13           2. An officer or employee who has at least seven hundred fifty but  
14 less than one thousand hours of sick leave shall receive payments equal to  
15 thirty-three per cent of the officer's or employee's salary at the officer's  
16 or employee's current hourly rate for each hour of accumulated sick leave.

17           3. An officer or employee who has at least one thousand hours of sick  
18 leave shall receive payments equal to fifty per cent of the officer's or  
19 employee's salary at the officer's or employee's current hourly rate for each  
20 hour of accumulated sick leave not to exceed one thousand five hundred hours  
21 of accumulated sick leave.

22       B. IN ORDER TO BE ELIGIBLE TO RECEIVE PAYMENTS PURSUANT TO SUBSECTION  
23 A OF THIS SECTION, AN OFFICER OR EMPLOYEE SHALL ESTABLISH AN EFFECTIVE  
24 RETIREMENT DATE BY QUALIFYING WITH AN AUTHORIZED STATE OF ARIZONA RETIREMENT  
25 SYSTEM AND HAVE ELECTED AND DEFINED THE OFFICER'S OR EMPLOYEE'S RETIREMENT  
26 BENEFITS NOT LATER THAN THIRTY DAYS AFTER TERMINATION OF EMPLOYMENT. An  
27 officer or employee who receives payments as provided in subsection A of this  
28 section shall not receive more than thirty thousand dollars. If an officer  
29 or employee receives payments pursuant to subsection A of this section, the  
30 officer or employee shall be paid the amount due the officer or employee  
31 EITHER IN A LUMP SUM OR in installments over a three year period.

32       C. If an officer or employee dies before the officer or employee  
33 receives the total payment due to the officer or employee or if an officer or  
34 employee is eligible for normal retirement but has not retired at the time of  
35 the officer's or employee's death, the officer's or employee's beneficiary  
36 shall receive the balance due to the officer or employee in a lump sum.

37       D. Notwithstanding any other law:

38           1. The cash value of the sick leave credit pursuant to subsection A of  
39 this section shall not be used to compute the average salary.

40           2. The payment authorized by this section for accumulated sick leave  
41 is not salary or compensation for the purposes of making retirement  
42 contributions or computing any pension benefit.

43           3. THE SICK LEAVE MUST BE AVAILABLE FOR USE BY THE OFFICER OR EMPLOYEE  
44 AT THE TIME OF TERMINATION OF EMPLOYMENT. THIS SECTION DOES NOT APPLY TO  
45 PREVIOUSLY FORFEITED SICK LEAVE.

1       E. The provisions of this section apply to an officer or employee of  
2 ~~the THIS~~ state or a county who is eligible to participate in the Arizona  
3 state retirement system as provided in chapter 5, article 2 of this title, in  
4 the public safety personnel retirement system as provided in chapter 5,  
5 article 4 of this title, in the corrections officer retirement plan as  
6 provided in chapter 5, article 6 of this title or in an optional retirement  
7 program established by the Arizona board of regents pursuant to section  
8 15-1628.

9       F. This section applies retroactively to July 1, 1998 to an officer or  
10 employee of a university under the jurisdiction of the Arizona board of  
11 regents who participates in a federal retirement system, except that this  
12 section does not apply to a participant in a federal retirement system if the  
13 participant receives any sick leave payment from the federal government.

14      G. The provisions of this section ~~shall~~ apply only to officers or  
15 employees of ~~the THIS~~ state or a county whose compensation regulations  
16 provide for a forfeiture of sick leave on retirement.

17      H. For the purposes of this section, "hourly rate" means an officer's  
18 or employee's hourly salary on retirement, excluding overtime pay and pay for  
19 unused annual leave.